

Message Text

LIMITED OFFICIAL USE

PAGE 01 OECD P 20570 01 OF 02 291645Z

51

ACTION EUR-25

INFO OCT-01 AF-10 ARA-16 EA-11 NEA-14 IO-14 ISO-00 AID-20

CEA-02 CIAE-00 COME-00 EB-11 FRB-03 INR-11 NSAE-00

RSC-01 OPIC-12 SP-03 TRSE-00 CIEP-03 LAB-06 SIL-01

SWF-02 OMB-01 DODE-00 DOTE-00 FMC-04 CG-00 COA-02

DLOS-07 L-03 H-03 INT-08 FEAE-00 SS-20 NSC-07 STR-08

TAR-02 DRC-01 /232 W

----- 097716

R 291633Z AUG 74

FM USMISSION OECD PARIS

TO SECSTATE WASH DC 3523

INFO AMEMBASSY ANKARA

AMEMBASSY ATHENS

AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRASILIA

AMEMBASSY BRUSSELS

AMEMBASSY BUENOS AIRES

AMEMBASSY CANBERRA

AMEMBASSY COPENHAGEN

AMEMBASSY THE HAGUE

AMEMBASSY HELSINKI

AMEMBASSY LONDON

AMEMBASSY MADRID

AMEMBASSY MONROVIA

AMEMBASSY MOSCOW

AMEMBASSY NEW DELHI

AMEMBASSY OSLO

AMEMBASSY OTTAWA

AMEMBASSY PANAMA

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

AMEMBASSY TOKYO

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 OECD P 20570 01 OF 02 291645Z

AMEMBASSY VIENNA

AMEMBASSY WELLINGTON
AMCONSUL HAMBURG
AMCONSUL RIO DE JANEIRO
USMISSION EC BRUSSELS
USMISSION GENEVA
USMISSION USUN
USLO PEKING

LIMITED OFFICIAL USE SECTION 01 OF 02 OECD PARIS 20570

DEPT PASS TREAS FOR KORP, COMMERCE FOR ANTOUN

E.O. 11652: N/A

TAGS: EFIN, ETRN, OECD

SUBJECT: OIL CARGO PREFERENCE BILL, UN LINER CODE AND
OECD TRADE PLEDGE

REF: A. STOCKHOLM 3770

B. USOECD 18789

C. USOECD 19595

1. SUMMARY: PASSAGE OF OIL CARGO PREFERENCE BILL BY
SENATE WOULD COMPLICATE U.S. EFFORTS TO DISCOURAGE
ADOPTION OF UN CODE OF CONDUCT FOR LINER CONFERENCES
AND MIGHT BE CONSIDERED IN CONTRAVENTION OF PROVISIONS
OF OECD TRADE PLEDGE. ACTION REQUESTED: PLEASE REPORT
ON CURRENT STATUS OF CARGO PREFERENCE BILL IN SENATE.
END SUMMARY.

2. WE AGREE WITH EMBASSY STOCKHOLM (REF A, PARA 3)
THAT ENACTMENT OF OIL CARGO PREFERENCE BILL WOULD
STRENGTHEN SUPPORT FOR ILLIBERAL CARGO-SHARING PROVISIONS
OF PROPOSED UN LINER CODE OF CONDUCT. IT WOULD ALSO
UNDERMINE U.S. EFFORTS IN OECD INVISIBLES COMMITTEE (IC)
TO ACHIEVE CONSENSUS ON INCOMPATIBILITY BETWEEN UN LINER
CODE AND OECD INVISIBLES CODE. BASIC THRUST OF U.S.
ARGUMENTS IN IC HAS BEEN THAT PROPOSED UN CONVENTION
CONTAINS MANDATORY PROVISIONS FOR DISCRIMINATORY TREAT-
MENT OF THIRD COUNTRIES IN AREAS OF CARGO-SHARING AND
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 OECD P 20570 01 OF 02 291645Z

ADMISSION TO CONFERENCES. IF U.S. NOW ADOPTS DIS-
CRIMINATORY CARGO-SHARING LEGISLATION OF ITS OWN, MISSION
MAY BE OBLIGED TO TAKE LOWER PROFILE IN IC IN OUR EFFORTS
TO ACHIEVE INCOMPATIBILITY FINDING. WE HOPE SUCH FIND-
ING MAY PROVIDE BASIS FOR CERTAIN COUNTRIES (E.G. GER-
MANY AND JAPAN) TO RECONSIDER THEIR PRESENT FAVORABLE
POSITION TOWARDS UN CONVENTION (REF C). PASSAGE OF OIL
CARGO PREFERENCE LEGISLATION WOULD UNDOUBTEDLY INFLUENCE

DECISION OF SOME COUNTRIES REGARDING ADHERENCE TO UN
CONVENTION, AND MIGHT WELL CONTRIBUTE TO ACCEPTANCE OF
CONVENTION BY LARGER NUMBER OF U.S. TRADING PARTNERS.
AT PRESENT, QUESTION OF ENTRY INTO

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 OECD P 20570 02 OF 02 291644Z

51

ACTION EUR-25

INFO OCT-01 AF-10 ARA-16 EA-11 NEA-14 IO-14 ISO-00 AID-20

CEA-02 CIAE-00 COME-00 EB-11 FRB-03 INR-11 NSAE-00

RSC-01 OPIC-12 SP-03 TRSE-00 CIEP-03 LAB-06 SIL-01

SWF-02 OMB-01 DODE-00 DOTE-00 FMC-04 CG-00 COA-02

DLOS-07 L-03 H-03 INT-08 FEAE-00 SS-20 NSC-07 STR-08

TAR-02 DRC-01 /232 W

----- 097719

R 291633Z AUG 74

FM USMISSION OECD PARIS

TO SECSTATE WASH DC 3524

INFO AMEMBASSY ANKARA

AMEMBASSY ATHENS

AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRASILIA

AMEMBASSY BRUSSELS

AMEMBASSY BUENOS AIRES

AMEMBASSY CANBERRA

AMEMBASSY COPENHAGEN

AMEMBASSY THE HAGUE

AMEMBASSY HELSINKI

AMEMBASSY LONDON

AMEMBASSY MADRID

AMEMBASSY MONROVIA

AMEMBASSY MOSCOW

AMEMBASSY NEW DELHI

AMEMBASSY OSLO

AMEMBASSY OTTAWA
AMEMBASSY PANAMA
AMEMBASSY PARIS
AMEMBASSY ROME
AMEMBASSY STOCKHOLM
AMEMBASSY TOKYO
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 OECD P 20570 02 OF 02 291644Z

AMEMBASSY VIENNA
AMEMBASSY WELLINGTON
AMCONSUL HAMBURG
AMCONSUL RIO DE JANEIRO
USMISSION EC BRUSSELS
USMISSION GENEVA
USMISSION USUN
USLO PEKING

LIMITED OFFICIAL USE SECTION 02 OF 02 OECD PARIS 20570

FORCE OF UN CONVENTION IS STILL UNDECIDED, AS IT IS
UNCLEAR WHETHER COUNTRIES WITH REQUISITE SHARE OF WORLD
CARGO TONNAGE WILL DECIDE IN FAVOR OF CONVENTION. ANY
ILLIBERAL SHIPPING LEGISLATION WHICH WE MIGHT ADOPT
WOULD CERTAINLY AFFECT THIS DECISION AS WELL AS OUR
ABILITY TO INFLUENCE IT.

3. IN ADDITION, AS REPORTED REF B, PASSAGE OF CARGO
PREFERENCE LEGISLATION MIGHT WELL STIMULATE REQUESTS
IN OECD FOR CONSULTATIONS UNDER PROVISIONS OF MINIS-
TERIAL TRADE PLEDGE, WHICH U.S. STRONGLY SUPPORTED IN
MAY 1974 AS MEANS OF PREVENTING "BEGGAR-THY-NEIGHBOR"
EFFORTS TO OFFSET OIL-INDUCED PAYMENTS DEFICITS.
TRADE PLEDGE APPLIES JUST AS MUCH TO INVISIBLES AS
TO MERCHANDISE TRANSACTIONS, AND PROPOSED U.S.
LEGISLATION COULD BE CONSIDERED BALANCE-OF-PAYMENTS
MEASURE IRRESPECTIVE OF UNDERLYING SECURITY
CONSIDERATIONS.

4. ACTION REQUESTED: WE WOULD APPRECIATE RECEIVING
REPORT ON CURRENT STATUS OF CARGO PREFERENCE BILL
IN SENATE. WE UNDERSTOOD THAT LEGISLATION WOULD COME
TO SENATE FLOOR ABOUT AUGUST 1, BUT HAVE SEEN NO FURTHER
PRESS OR OTHER REPORTING SINCE THEN.
TURNER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MARINE TRANSPORTATION, PETROLEUM, TRADE LAW, CARGO
Control Number: n/a
Copy: SINGLE
Draft Date: 29 AUG 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974OECDP20570
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740239-0975
From: OECD PARIS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t1974088/aaaaagdb.tel
Line Count: 219
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: A. STOCKHOLM 3770
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 20 MAR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <20 MAR 2002 by shawdg>; APPROVED <16 MAY 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: OIL CARGO PREFERENCE BILL, UN LINER CODE AND OECD TRADE PLEDGE
TAGS: EFIN, ETRN, OECD
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005